

# RISK MATRIX AND INSURANCE LANGUAGE

Presented by

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## Introduction

This Risk Matrix is developed as a general guide to assist Members in evaluating Risk, which provides guidance related to basic industry standard insurance coverages and limits associated with multiple Scopes of Work. It is only a guide, where each scope of work should be thoroughly evaluated by the Member in the drafting of agreement insurance requirements that adequately transfer risk to the party with the most knowledge and in control of the services or work.

The statements, contents and information provided herein have been prepared for general information purposes only. They are not intended to serve as legal advice or as a guarantee, warranty or prediction regarding the outcome of any particular matter, legal or otherwise. They may not be correct for a situation, and are subject to change at any time, may be incomplete, or may contain errors.

Feel free to reach out to Sedgwick to assist with any questions.

## Exhibit 1

### Risk Matrix Definitions

(Determine Risk Category by evaluating all factors that could increase the agency's liability for that particular project and/or scope of work. Once Risk Category is determined, utilize Exhibit 2 to select insurance terms and limits.)

Risk Category	Risk Level	Examples
1	Low	<ul style="list-style-type: none"> <li>• Small/single scope construction projects</li> <li>• Vending machine providers</li> <li>• Non-custom software suppliers &amp; installers</li> <li>• Consultant Agreements</li> <li>• General contracts</li> </ul>
2	Intermediate	<ul style="list-style-type: none"> <li>• Some construction projects*</li> <li>• Some professional service providers</li> <li>• Technology consultants/custom software suppliers &amp; installers</li> <li>• Facilities use/Rental agreements</li> <li>• Special events with high-risk activity, alcohol</li> </ul>
3	High	<ul style="list-style-type: none"> <li>• Major or higher risk construction projects*</li> <li>• Garbage, waste or toxic material haulers</li> <li>• Marine or Airport operations</li> </ul>
Other	Undefined	<ul style="list-style-type: none"> <li>• Special events**</li> <li>• The risk is unique</li> <li>• Custom insurance requirements needed</li> </ul>

\* Construction Projects: The basis of risk evaluation is based on the scope of work (not \$ amount). To identify potential hazards that could be present or occur on a construction project evaluate potential risks to the public, site risks, environmental risks, technical risks, financial risks, and any other project risks.

\*\* Special Events may fall into a "Low," "Intermediate," or "High" risk category. For example, Art Festivals would generally be categorized at a "Low" risk level, whereas a Rodeo would be categorized as "High" risk. See supplemental document for Special Event risk categories.

**Exhibit 2**  
**Risk Matrix**

(“+” = Limits may need to increase for Risk Categories 2 & 3, depending  
on the project and/or scope of work and/or risk factors)

<b>Risk Category</b>	<b>Workers’ Compensation</b>	<b>General Liability</b>	<b>Auto Liability</b>
<b>1</b>	Statutory  Employer’s Liability \$1,000,000	\$1,000,000 per occurrence  \$2,000,000 general aggregate (may accept \$1,000,000 for lower risk)  \$2,000,000 Products and completed operations aggregate (may accept \$1,000,000 for lower risk)	\$1,000,000  Combined Single Limit (may require \$2,000,000 for higher auto risk)
<b>2</b>	Statutory  Employer’s Liability \$1,000,000	\$2,000,000+ per occurrence  \$2,000,000+ general aggregate (may require \$4,000,000 for higher risk)  \$2,000,000+ products and completed operations aggregate	\$2,000,000+  Combined Single Limit
<b>3</b>	Statutory  Employer’s Liability \$1,000,000	\$5,000,000+ per occurrence  \$5,000,000+ general aggregate  \$5,000,000+ products and completed operations aggregate (Above limits could go up to \$10,000,000 depending on risk level)	\$5,000,000+  Combined Single Limit
<b>Other</b>	Consult with Risk Management Professionals	Consult with Risk Management Professionals	Consult with Risk Management Professionals

**Exhibit 3**  
**Insurance Language Templates for all Risk Categories**

The term “Vendor” is used as a placeholder in the following language examples. Depending on the agreement and/or scope of work, alternate terms of Contractor, Consultant, Provider, Professional, Service Provider, or Hauler may be more applicable. Below are typically required insurance coverages.

**1. Commercial General Liability**

- a. Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in an amount not less than **[INSERT LIMITS IN ACCORDANCE WITH EXHIBIT 2]** per occurrence, **[INSERT LIMITS IN ACCORDANCE WITH EXHIBIT 2]** general aggregate, and **[INSERT LIMITS IN ACCORDANCE WITH EXHIBIT 2]** products and completed operations. The policy shall include a per project or per location general aggregate endorsement. If a per project/location endorsement is not available, the limit for the general aggregate shall be doubled.
- b. The policy shall allow and be endorsed as primary and not seek contribution from the City’s coverage.
- c. The policy(s) shall provide and be endorsed to include, the City, its officers, officials, employees, agents, and volunteers as additional insureds on ISO form CG 20 10 (or equivalent) for ongoing operations, and, for construction or service agreements, ISO form CG 20 37 (or equivalent) for completed operations.
- d. Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided to the City.
- e. Coverage shall state that Vendor’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.
- f. Coverage shall allow and be endorsed to include a waiver of subrogation in favor of the City and its officers, officials, employees, and agents.

## **2. Business Automobile Liability**

- a. Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of not less than **[INSERT LIMITS IN ACCORDANCE WITH EXHIBIT 2]** per accident.
- b. The policy shall provide and be endorsed that the City, its officers, officials, employees, agents, and volunteers are included or named as additional insureds.
- c. The policy shall allow and be endorsed to include a waiver of subrogation in favor of the City, its officers, officials, employees, and agents.

Note: If autos will not be used to provide the service or work to the City, it is recommended the Automobile Liability insurance requirements be replaced with the following:

“In the event Vendor uses vehicles in the operation of its business to provide services under this Agreement, the Vendor shall, prior to such use, provide the City with evidence of Business Automobile Liability insurance coverage in the amount of **[INSERT LIMITS IN ACCORDANCE WITH EXHIBIT 2]** combined single limit per accident for owned, non-owned and hired vehicles (Any Auto-Symbol 1). Evidence shall be provided with a Certificate of insurance, along with an additional insured endorsement in favor of the City, primary and non-contributory coverage and endorsement, and Waiver of Subrogation coverage and endorsement under the policy prior to the use of any vehicle.”

## **3. Umbrella or Excess Liability**

- a. The limits of liability for commercial general liability and automobile liability may be provided through a combination of primary and umbrella or excess liability policies provided each policy complies with the requirements set forth in this agreement. Excess policies shall be follow-form to the underlying policies. Umbrella or excess policies shall include City and its officers, officials, employees, agents, and volunteers as additional insured.

## **4. Workers' Compensation and Employers' Liability - Statutory**

- a. Vendor shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for all persons employed directly or indirectly by Vendor. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than \$1,000,000 each accident, \$1,000,000 by disease-policy limit, and \$1,000,000 by disease-each employee. No

proprietor, partner, executive officer, or member shall be excluded. In the alternative, Vendor may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the California Labor Code shall be solely in the discretion of City.

- b. The insurer, if insurance is provided, or Vendor, if a program of self-insurance is provided, shall allow, and be endorsed to waive all rights of subrogation against City and its officers, officials, employees, agents, and volunteers.
- c. The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Vendor does not have any employees.

## **5. All Coverages**

- a. Any available insurance proceeds broader than, or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum insurance requirements are sufficient to cover the obligations of the Vendor.
- b. Each required insurance policy shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice, has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium. If a carrier will not provide the required notice of cancellation, the Vendor shall provide written notice to the City of a cancellation no later than 3 business days before cancellation.
- c. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.
- d. Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificate(s) of insurance evidencing compliance with the insurance requirements above. All required endorsements shall be attached to the certificate(s), including additional insured, waiver of subrogation, primary coverage, and notice of cancellation endorsements. The Vendor shall provide complete or certified copies of all required insurance policies if requested by the City.



- e. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.
- f. Hired Parties - Vendors who will use subcontractors or other parties to provide materials, services, or perform construction or other work for the Vendor must enter into a written and executed contract or agreement with each of its subcontractors, vendors, agents, subconsultants and/or any other parties, collectively, "hired parties". The contract or agreement must contain a defense, indemnification and hold harmless provision in favor of the City and its officers, officials, employees, and agents. The contract or agreement shall also cause the hired parties to comply with the insurance requirements required of the Vendor, including providing an additional insured endorsement for ongoing and completed operations in favor of the City and its officers, officials, employees, and agents. Vendor shall obtain certificates of insurance and additional insured endorsements from each of its hired parties and provide a copy to City upon request.

## Exhibit 4

### Ancillary Coverage Requirements

(In addition to the insurance coverages listed above, the following coverages may be needed depending on the project and/or scope of work. See below pages for additional information and language)

Contract Activity Involved	Professional Liability	Pollution Liability	Builders Risk*	Installation Floater**	Aircraft Liability	Cyber Liability or Tech E&O***	Sexual Abuse and Molestation (SAM)
<b>Construction or Remodeling Projects:</b> Construction or remodeling projects	✓ (if design/build)	✓	✓	✓ (if no builders risk)	✓ (if aircraft and/or drone is used)		
<b>Hazardous or Waste Materials:</b> Removal of asbestos or lead-based paint; or the use, application, transport, removal, cleanup, or disposal of hazardous material in quantities of 100 gallons or more; or the disposal, treatment, transport, or storage of waste.		✓					
<b>Installation of Equipment</b>				✓			
<b>Service Provider for Minors or a vulnerable population:</b> Sports programs, youth programs, camps, educational programs, elder and vulnerable population services	✓						✓
<b>Professional Service Provider:</b> Services from an accountant, architect, attorney, claims administration firm, consultant, insurance broker, engineer, financial advisor, medical professional, or other person who maintains a professional license.	✓						
<b>Technology Vendor</b>	✓					✓	
<b>Use of Aircraft, Helicopter or Drone</b>					✓		

\* Builders Risk insurance is a form of property insurance to protect against risks such as fire or theft, is needed for new construction, or major renovation projects with multiple trades performing construction work. This coverage may be purchased and provided by a general contractor, construction manager, or the City.

\*\* Installation Floater is a type of property insurance for smaller scopes of work, often performed by a single trade contractor.

\*\*\* Technology manufacturers and service providers may carry specialized Technology Errors and Omissions coverage in lieu of Cyber Liability. For example, Tech E&O coverage is designed to cover vendors that provide technology services and products such as manufacturers and custom products. Cyber Liability covers users of general technology services and out of the box types of products, with a broader range of coverage.

## Types of Ancillary Coverages

The following are suggested insurance requirement suggestions of Ancillary Coverages are recommended. The Risk Manager should be consulted to determine customized limits and language for specific circumstances.

### 1. Aircraft Liability Insurance and/or Drone Liability Insurance

- a. Aircraft liability insurance coverage shall provide limits of **[\$10,000,000 (aircraft)] or [\$1,000,000 - \$2,000,000 (drone)]** per accident.
- b. The policy shall provide and be endorsed to include the City, its officers, employees, agents, and volunteers as additional insureds.

### 2. Builders Risk Insurance

- a. Builders Risk/Course of Construction insurance. The coverage shall be written for an amount equal to the initial contract amount plus the value of any subsequent change orders. Policy shall be provided for replacement value on an "all-risk" or special causes of loss basis, including earthquake and flood. The City shall be named as Loss Payee on the policy and there shall be no coinsurance penalty provision in any such policy. Policy must include coverage for debris removal, and insure the building(s), structures, machinery, equipment, materials, facilities, fixtures, and all other properties constituting a part of the project. The limits shall be sufficient to ensure the full replacement value of any property or equipment stored either on or off the project site or in transit. Such insurance shall be on a form acceptable to City to ensure adequacy of terms and limits. The policy shall allow for and include a waiver of subrogation endorsement in favor of the Insureds.
  - b. Vendor shall not be required to maintain property insurance for any portion of the Project following transfer of control thereof to City.
  - c. The Vendor shall be the named insured, and the City and subcontractors of any tier shall be named as insureds.
  - d. The policy shall allow and be endorsed to include a waiver of subrogation in favor of the City, its officers, officials, employees, and agents.
- *See Installation Floater requirements below for construction work not eligible for a builder's risk policy.*

### 3. Crime/Fidelity Bond

- a. Insurance no less than **[\$ amount varies depending on contract amount and length of contract]** per occurrence, covering all Vendor's officers and employees, for loss of City proceeds caused by dishonesty and/or theft.

### 4. Cyber Liability

- a. Vendor shall provide Cyber Liability Insurance with limits not less than **[INSERT LIMIT IN ACCORDANCE WITH RISK LEVEL]** per claim.
- b. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information or personally identifiable information (PII), alteration of electronic information, extortion, and network security.
- c. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations.

### 5. Installation Floater

- a. For construction work not eligible for a builder's risk policy, Vendor, shall provide an installation floater, covering the work performed under the contract or agreement, on a form at least as broad as Insurance Services Offices, Inc. (ISO) Causes of Loss - Special Form. The policy shall cover the labor, materials, and equipment, including materials and equipment in transit or away from the project site, to be installed in the existing structure(s). The coverage shall be written for an amount equal to the initial contract amount plus the value of any subsequent change orders. The policy shall allow for or include a waiver of subrogation in favor of the Insureds.

### 6. Pollution Liability

- a. Pollution Coverage shall be provided for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be no less than **[INSERT LIMIT IN ACCORDANCE WITH RISK LEVEL]** per claim. All activities contemplated in this agreement shall be specifically scheduled on the policy as "covered operations." The policy shall

provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.

- b. The policy shall provide and be endorsed to include the City, its officers, employees, and agents as insureds.

## **7. Professional Liability**

- a. Vendor shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing professional services in the minimum amount of **[INSERT LIMIT IN ACCORDANCE WITH RISK LEVEL]** per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of the start of work, and Vendor agrees to maintain continuous coverage through a period no less than three (3) years after completion of the work.

## **8. Sexual Abuse or Molestation Coverage**

- a. Vendor shall maintain Sexual Abuse or Molestation (“SAM”) insurance coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than **[\$3,000,000 minimum - \$5,000,000 (for transportation)]** per occurrence for bodily injury, sexual abuse and molestation coverage, personal injury, and property damage, including without limitation, blanket contractual liability.

## **9. Technology Errors and Omissions**

Vendor shall maintain technology errors and omissions insurance that insures against professional errors and omissions that may result from providing technology services and products in the minimum amount of **[INSERT LIMIT IN ACCORDANCE WITH RISK LEVEL]** per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of the start of work, and Vendor agrees to maintain continuous coverage through a period no less than three (3) years after completion of the work.

**Exhibit 5**  
**Risk Assessment Tool for Contractual Risk Transfer**

- 1. Risk Analysis - What Coverage is Needed?**
- 2. Recommended Coverages for Contracts with Vendors**

## Risk Analysis - What Coverage is Needed?

Establishing insurance requirements for contract agreements is part of risk control that can save a municipality money and employee hours. It is recommended that clear and precise insurance language is included in the RFP process, to ensure vendors understand the expectations prior to bidding. Some municipalities have bidders sign an acknowledgement to confirm that the bidder can and will comply with the insurance requirements.

Determining adequate insurance coverages and limits is a mechanism of risk management. This guide is intended to assist in establishing requirements that comply with industry, provides reasonable protections to the city, and not impose an undue burden on the vendors. No requirement is absolute, where developing a foundation for various categories should assist in managing the risk control process by transferring the risk to the entity with the most knowledge and in control of the services/work/activities.

Commercial General Liability, Business Automobile Liability and Workers Compensation/Employer's Liability coverages are generally always required. However, based on the scope of work/services, additional (or ancillary) coverages may be required. Below is a risk analysis tool to assist in determining if any ancillary coverages are appropriate for the scope of work/services:

If the answer is yes to any of the questions below, then coverage may be necessary:

### Professional Liability:

- Is the vendor a Doctor, Medical Practitioner, Counselor, Therapist, Educator, Attorney, Engineer/Designer or Architect?
- Does the scope of services include Zoning or City Planning?
- Is the IT service turnkey in nature?
- Is vendor providing accounting work of a turnkey nature?
- Is vendor Consulting (i.e. Giving advice), Training, Educating, and/or Translating?
- Is vendor providing Brokerage services?
- Is vendor providing Scientific/Technical, Research/Testing or Inspection services?
- Is vendor providing Surveying or Soil Engineering services?
- Is vendor a Construction Management service?

**Cyber Liability:**

- Will vendor be providing or installing out of the box technology software or hardware?
- Is the vendor providing services or work that connects to the internet or is operated through the City's network?
- Will the program or application (app) have access, use, process, or store personally identifiable information (PII)?

**Technology Errors and Omissions:**

- Will vendor be installing technology such as customized or customizable software or hardware?
- Will vendor be providing proprietary software or hardware?
- Could the product or service be infiltrated or fail and harm the city?
- Can the technology product and services cause financial harm to others?

**Pollution Liability:**

- Is a building or structure being demolished?
- Will vendor be removing lead paint?
- Will vendor be disrupting asbestos?
- Will vendor be hauling or using chemicals or fuel?
- Is vendor remediating?
- Is vendor using fungicides, herbicides, or pesticides?
- Is vendor working underground, drilling, or working near tanks or pipelines?
- Is vendor using or hauling caustic or toxic materials?
- Is vendor using or working on sewer?
- Is vendor working on storm drains or laterals?
- Is vendor working in or near a body of water?

**Builder's Risk or Course of Construction Coverage or Installation Floater:**

- Is vendor building, re-building, or renovating property?



**Property Insurance:**

- Is tenant leasing city property or lands?
- Is tenant responsible for maintenance, improvements or betterments?
- Is tenant responsible for ADA compliance of building?

**Crime Insurance:**

- Will vendor or vendor employees have access to city money?
- Will vendor or vendor's employees be investing city funds?
- Does vendor generate revenue for the city?

**Exhibit 6**  
**Recommended Coverages for Contracts with Vendors**

Type of Agreement	GL Occur/Agg	Auto Liab.	Workers' Comp & Empl. Liab.	Prof. Liab.	Poll. Liab.	SAM	Cyber Liab.	Crime	Bonds Perfm/Pmt; Const.
<i>Limit \$ amounts are in millions</i>									
Aircraft Operations	2/4	10 (Aircraft)	WC: Statutory  Emp. Liab. 1						
Airport Lease	2/4	2			1				
Construction*	2/4	1			Maybe				Maybe
Construction (Major)*	5/10	5			Maybe				Maybe
Consultant	1/2	1		1					
Design Professional (Architect/Engineers)	2/4	1		2					
Encroachment Permits	1/2								
Encroachment Permits (Major)	2/4	2							
Environmental Services	3/6	2		2	2				
Explosives/Tunneling	10	5			5				
Gasoline/Petroleum/Propane Provider	5/10	5			5				
Grant or Loan Agreements	1/2							1	
IT Services	2/4			1			2		
Janitorial Services	1/2	1		1	1			1	
Land Surveyor	2/4	2		1					
Lease Agreement**	2/4	1						Maybe	
Lease Agreement/Food Operations	3/6	1							
Professional Services Agreement	2/4	1		2					
Professional Services Agreement (Consultant)	1/2	1		1 or 2					
Professional Services for Minors or Vulnerable Populations	2/4	1		2		3 - 5			
Recreation Services	1/2	1				Maybe			
Recreation Services (Aquatics)	5/10	1				Maybe			
Recreation Services (Sports)	3/6	1				Maybe			
Ride Share Programs	5/10	5							
Subdivision Improvement	3/6	2							
Taxicab Agreements	1/2	1							
Towing Heavy***	1/2	2							
Towing Standard***	1/2	1							
Transportation Services	5/10	5							
Trucking, transportation, solid waste	5/10	5			2				
Watercraft Operations****	3/6	1			2				

\* Builders Risk insurance is a form of property insurance to protect against risks such as fire or theft, is needed for new construction, or major renovation projects with multiple trades performing construction work. This coverage may be provided by a general contractor, construction manager, or the City.

For construction work not eligible for a Builder's Risk policy, an Installation Floater is a type of property insurance for smaller scopes of work, often performed by a single trade contractor.

\*\* Property insurance for betterments and improvements of renter with city as loss payee.

\*\*\* Towing companies have some unique coverage details - see Alliant's current [Contract Manual](#) for more details.

\*\*\*\* Watercraft Operations should include Protection and Indemnity (P&I) insurance coverage in their Commercial General Liability (CGL) insurance coverage, and Jones Act or Longshoreman's Harbor Workers Act Coverage for Worker's Compensation.

\*\*\*\*\* Technology manufacturers and service providers may carry specialized Technology Errors and Omissions coverage in lieu of Cyber Liability.

## **Exhibit 7**

### **Definitions of Insurance Coverages**

The following “definitions” are a short list of simplistic examples of common policy coverages. They do not represent detailed or a comprehensive list of coverage inclusions and exclusions that may be included in each policy type. Rather, they are a simple guide of a policy’s main coverages only. Please do not fully rely on these definitions as complete policy coverages.

#### **Commercial General Liability:**

- **Bodily injury:** Covers claims when someone is injured on a business’ premises or at a site where the business is working.
- **Property Damage:** Covers claims when a business’ operations cause damage to another’s property.
- **Personal Advertising Injury:** Covers claims for libel, slander, false advertising, invasion of privacy, copyright infringement, false arrest, malicious prosecution, and wrongful eviction.

#### **Business (Commercial) Automobile Liability:**

- **Bodily Injury:** Covers medical expenses for other drivers injured in an accident.
- **Property Damage:** Covers damage to other people's property.
- **Legal defense:** Covers legal costs if the company is sued.

#### **Workers’ Compensation & Employers Liability:**

- **Workers Compensation:**
  - **Medical care:** Includes doctor visits, tests, medicines, equipment, and travel costs.
  - **Temporary disability benefits:** Payments if the employee is unable to work their regular job while recovering from an injury.
  - **Permanent disability benefits:** Payments if an employee doesn’t fully recover from an injury and has a permanent loss of physical or mental function.
  - **Supplemental job displacement benefits:** A voucher to help pay for retraining or skill enhancement if an employee is eligible for permanent disability benefits but their employer doesn't offer them work.
  - **Death benefits:** Payments to an employee’s dependents if the employee dies from a job injury or illness.

- **Employer's Liability:**
  - **Legal fees:** Covers the cost of hiring a lawyer to handle the claim, as well as any settlements or court-awarded damages.
  - **Compensation:** Covers lost income and medical bills for the injured employee.
  - **Third-party lawsuits:** Covers lawsuits filed by non-employees who were affected by the employee's injury or illness.
  - **Loss of consortium lawsuits:** Covers lawsuits filed by spouses who claim a loss of marital benefits due to the employee's injury or illness.
  - **Dual-capacity lawsuits:** Covers lawsuits filed if the employer has a second relationship with the employee.

#### **Excess Liability or Umbrella Liability:**

- Typically sits above and follows form of the following “primary” or “underlying” policies:
  - Commercial General Liability
  - Business Auto Liability
  - Employers' Liability

#### **Aircraft Liability Insurance and/or Drone Liability Insurance:**

- **Aircraft Liability:**
  - **Bodily Injury and Property Damage including,**
    - **Third-party liability:** Covers damage to people or property outside of the aircraft.
    - **Passenger liability:** Covers injuries or deaths to passengers on board the aircraft.
    - **Legal fees:** Pays for legal fees if the aircraft owner is sued.
- **Drone Liability:**
  - **Bodily Injury:** Covers injuries to other people.
  - **Property Damage:** Covers damage to other people's property
  - **Privacy Issues:** Covers lawsuits if your drone takes pictures or videos of someone without their permission.
  - **Legal Defense:** Covers legal defense if you are sued for an incident caused by your drone.
  - **Advertising liability:** Covers claims of libel, slander, copyright infringement, and stolen ideas.

**Builder's Risk or Installation Floater (construction projects only):**

- Theft: A standard coverage for builder's risk insurance
- Vandalism and arson: Damage caused by vandalism and arson
- Collapse: Damage caused by collapse
- Fire or lightning: Damage caused by fire or lightning
- Materials in transit: Covers materials being transported to the construction site
- Debris removal: Covers the cost of removing debris from the construction site
- Temporary structures: Covers temporary structures like construction signs, fencing, and scaffolding
- Storage containers: Covers storage containers
- Lost sales income: Covers lost sales income
- Real estate taxes: Covers real estate taxes
- Rental income: Covers rental income

**Cyber Liability or Technology Errors and Omissions:**

- Cyber Liability:
  - Data: Recovering or replacing lost or stolen data, and restoring damaged systems
  - Customers: Notifying customers of a breach, and providing refunds or credit monitoring
  - Business interruption: Lost income due to a cyber event
  - Crisis management: Forensics, public relations, and other crisis services
  - Legal: Litigation expenses, regulatory defense, and legal services
  - Extortion: Payments made to cyber extortionists
- Technology Errors and Omissions:
  - Legal costs: Covers the cost of defending legal actions, including attorney fees and court costs
  - Damages: Covers damages awarded by the court or settlements agreed upon with the insurer
  - Contractual obligations: Covers legal costs and financial losses from failing to meet contractual obligations
  - Warranty breaches: Covers claims from breaches of warranties or guarantees
  - Consequential losses: Covers financial losses suffered by clients due to the business's technology products or services
  - Intellectual property: Covers legal defense expenses and potential settlements for claims of intellectual property infringement
  - Negligence: Covers claims of negligence, errors, or omissions in the delivery of technology services

**Pollution Liability\*:**

- Coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites for sudden, accidental, and gradual pollution and remediation
  - Bodily injury: Covers sickness, disease, and death sustained by any person
  - Property damage: Covers damage to tangible property and the resulting loss of use
  - Cleanup costs: Covers reasonable and necessary clean-up costs for an actual or potential incident
  - Loss of use: Covers loss of use of tangible property that has not been physically injured
  - Damage to natural resources: Covers damage to natural resources
  - Emergency response costs: Covers emergency response costs
  - Business interruption: Covers business interruption

\* Non-transportation conditions (ex. site work) can be provided with Contractor's Environmental Liability or Pollution Liability insurance coverages.

**Professional Liability:**

- Legal fees: Legal fees and defense costs
- Settlements: Claim settlements and judgments
- Fines and penalties
- Copyright infringement
- Personal injury: Libel and slander
- Undelivered services
- Missed deadlines
- Breach of contract

**Sexual Abuse or Molestation Coverage ("SAM"):**

- Covers claims of misconduct may include actual or threatened abuse, molestation or sexual harassment
  - Legal defense: Costs associated with defending against allegations, including settlements and judgments
  - Other court-related expenses: Legal fees and other costs related to the claim
  - Medical expenses: Some policies **may** cover medical expenses for the victim
  - Negligent actions: Failure to investigate, supervise, or report allegations, or negligent hiring or retention of an abuser